

## Message Text

LIMITED OFFICIAL USE

PAGE 01 SEOUL 03993 120746Z  
ACTION XMB-04

INFO OCT-01 EA-10 ISO-00 EB-08 COME-00 DOE-15 SOE-02  
TRSE-00 MCE-00 /040 W  
-----079060 121415Z /43  
R 120727Z MAY 78  
FM AMEMBASSY SEOUL  
TO SECSTATE WASHDC 1034  
INFO AMEMBASSY TOKYO

LIMITED OFFICIAL USE SEOUL 3993

DEPT PASS EXIM

E.O. 11652: N/A  
TAGS: EAIR KS JA  
SUBJ: JAPANESE OFFER TO SUPPLY U.S. AIRCRAFT TO KOREAN AIRLINES  
ON LEASE/PURCHASE BASIS

REF: SEOUL 3720

SUMMARY: A JAPANESE ENTERPRISE HAS OFFERED KOREAN AIRLINES  
AT LEAST TWO AND PERHAPS UP TO FOUR U.S.-PRODUCED AIRCRAFT  
ON A LEASE/PURCHASE ARRANGEMENT. TERMS OF THE OFFER ARE  
SUCH THAT KAL FINDS IT MORE ATTRACTIVE THAN DIRECT PURCHASE  
EVEN WITH EXPORT IMPORT BANK PARTICIPATION. NOT SURPRISINGLY,  
AMERICAN BANKERS HERE ARE UPSET AT THE PROSPECT. END SUMMARY.

1. ACCORDING TO A KAL OFFICIAL, A JAPANESE ENTERPRISE,  
INTERNATIONAL TRANSPORT LEASING INC., HAS OFFERED TO SUPPLY  
KAL ON A LEASE/PURCHASE BASIS AT LEAST TWO 747'S AND PERHAPS  
UP TO FOUR AIRCRAFT. EARLIER THE SAME OFFICIAL HAD TOLD  
US KAL HOPES TO PURCHASE TWO 747'S, A DC-10 AND A 707 BY THE  
END OF 1978 (REFTEL).

2. THE KAL OFFICIAL STATED THAT THE TERMS OF THE LEASE/  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SEOUL 03993 120746Z

PURCHASE OFFER WERE FOR 12 YEARS AT 8 PERCENT FLAT PER  
YEAR, I.E., NO GUARANTEE OR OTHER FEES.

3. WHEN ASKED ABOUT THE POSSIBILITY OF PURCHASE OF THE  
AIRCRAFT WITH U.S. EXIM PARTICIPATION, THE OFFICIAL ASKED  
WHAT EXIM COULD DO AND SAID HE WILL TALK WITH EXIM OFFICIALS  
DURING THEIR UPCOMING VISIT HERE.

4. A JAPANESE EMBASSY OFFICIAL, WHEN ASKED ABOUT THE TRANSACTION, DENIED ALL KNOWLEDGE BUT SPECULATED THAT SUCH A LEASE ARRANGEMENT COULD BE THE RESULT OF THE JAPANESE COMMITMENT TO PURCHASE MORE U.S. PRODUCTS.

5. AMERICAN BANKERS HERE WHO HAVE BEEN AWARE OF KAL'S INTEREST IN PURCHASING MORE AIRCRAFT HAVE BEEN HEARING RUMORS THAT THE PURCHASE WOULD BE FINANCED BY JAPANESE SOURCES. THEY ARE, NEEDLESS TO SAY, DISCOMFITED BY THE PROSPECT OF LOSING A LUCRATIVE BUSINESS.  
SNEIDER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMERCIAL AIRCRAFT, PROPOSALS (BID), LEASES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978SEOUL03993  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780202-0397  
**Format:** TEL  
**From:** SEOUL  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780564/aaaacbyk.tel  
**Line Count:** 74  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 4c35969f-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 SEOUL 3720  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2705935  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** JAPANESE OFFER TO SUPPLY U.S. AIRCRAFT TO KOREAN AIRLINES ON LEASE/PURCHASE BASIS  
**TAGS:** EAIR, KS, JA  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/4c35969f-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014